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# Industrial Peace

By HON. ARTHUR CAPPER

United States Senator from Kansas

**B**EFORE we can preserve industrial peace we must attain it. Has industrial peace ever existed? Here are forces acting and counteracting, human forces in opposition to one another, human passions and appetites on the one hand—economic laws and forces operating implacably on the other.

Let us understand at the outset that economic forces and their way of operating, through fixed laws, cannot be changed. We oppose them at our peril. It is plainly our duty and our hope to study them, inquire into them scientifically, as we inquire into the forces and laws of chemistry or physics, with the purpose, when we have acquired knowledge of what they are and how they work, of adjusting ourselves to them, not of trying in some way to circumvent or defeat them. We may be sure that they will defeat us unless we apply ourselves diligently to coöperating with them, for they will surely have their way.

## HUMAN NATURE IN INDUSTRY

The human forces are different. Our human passions and appetites cannot be changed. As they were originally constituted, so they are today. We find in the dawn of history the same human characteristics exploiting themselves and operating in the same way as today. Human nature was constituted once and for all. Yet the human forces are capable of adjustment. We have the power to curb our passions and our appetites. In this respect mankind has indeed made great progress. Our

nature is unchanged; but we have it under better control, because we have learned for long generations in the hard school of life that our interest does not lie in the exercise of unrestrained passion and appetite and wilfulness, but in holding ourselves within certain restraints, considering physical laws and forces about us, and considering also human and social forces about us, so that we consider not only ourselves but others as well.

What all the world must learn is that we live more and more a common life with common and not separate and mutually hostile interests. The common interest, if we can discover it, is ours.

In considering the problem of capital and labor, employer and employee, hours of labor and wages, conditions of employment, health and sanitation of workers and their families, child labor and the labor of women, I go back to what I stated at the beginning. It is wholly a matter of taking human nature into consideration. Human laws of thinking and feeling govern this problem.

Men cannot be forced to do right. They must be led. The industrial problem will never be solved and its solution will never be advanced one step by abuse and denunciation and epithets. Prejudice will never solve this human problem. No man can contribute to its solution who has no power of getting the other man's point of view, entering into his mind and appreciating how he looks upon life and what his life actually is.

## DEMOCRACY IN INDUSTRY

I have thought that at present the most promising proposal of all the many for helping the solution of our industrial problem has nothing to do with legislation at all, but is the proposal that has sometimes been described as "democratizing" industry; that is, it is the so-called "shop councils" or "shop committees" plan, by which grievances are anticipated and strikes and lockouts and strife are anticipated by the prompt hearing which every small individual grievance obtains at the shop council.

We are all familiar with this plan, which, new as it is, has already been put into operation by upwards of 200 American corporations, which is said to be in effect in a large way in England and which has been considered by the German Reichstag for Germany. It is democracy in industry so far as such matters are concerned as relate to employment, wages, hours of labor, etc.

The merit of this idea is not so much technical, for, technically, the plans differ in the various factories where they have been put into operation; but the merit is in the recognition of democracy, the principle of representation, the sense of the employee that he is a factor acknowledged and permitted to act, to air his ideas and to have his grievances considered promptly and without prejudice.

What is it that we want of labor? Everybody agrees that it is production. We want to get rid of slackerism and soldiering on the job. We want the worker to work. The country has rung with that demand upon labor. It is precisely because we want the worker to work, to give a full return for the wages paid him, that it is vital to consider the worker's psychology and to build up in him the desire to work, by creating in him the sense of recognition and representation as a man and

brother in industry, not as a beast of burden.

There are employers so ignorant of the psychology of their fellowmen in any other circumstances than their own that they are determined by every device conceivable to them, even to the enactment of laws, to destroy organization on the part of labor, while complacently accepting organization on the part of the employer, the capitalist.

Does any sane man believe the industrial problem is ever to be solved by rank injustice? Rather, it is to be solved by justice, by considering the other man, by giving him every right and privilege that is claimed for the investor or the employer. Industrial peace is not to be attained by denials of right, or by tricking men out of their rights. There was profound human philosophy in that utterance of the angelic chorus at the opening of the Christian era—"Peace on earth, good will to men." I understand that modern scholarship translates their true meaning as "Peace on earth to men of good will." In either case it is sound doctrine; for peace cannot come by any of the methods of ill will, nor to men of ill will, but only by the methods of good will and to men of good will.

The employer will say: "Why not tell that to the men who threaten to strike whenever their demands are not granted, to the men who soldier on the job and think only of the pay they get, not of the work they perform for their pay?"

The law applies to the carpenter, the bricklayer and the plumber, just as to the millionaire capitalist. But speaking as one who is himself an employer of a large number of men, I say that the employer should first set the example; that the employer should translate sound doctrine, without which the industrial problem cannot be solved, by consideration of the point of view of

his men, by paying them a living wage, by mingling with them and learning from them what their needs are, what their just rights should be. This is his bounden duty and his self-evident interest. The trouble is that neither side considers the other to any great extent, and what results is precisely what should result from all we know of human psychology. Those employers who have imagined that they can win the worker by so-called "welfare" service, administered from above, live in a fool's paradise.

#### PRODUCTION THE INTEREST OF LABOR AND CAPITAL

It is necessary that industry should be regarded for what it is—a coöperative, mutual enterprise for the common good. The end of industry is production, not wages or profits. These are both incidental to the main end. Both capital and labor are servants of the consumer. Greater production is the consumer's interest; what else is the interest of labor or of capital? The greater the product the larger the wage fund and the fund out of which dividends may be paid.

I come back to what I stated at the beginning. Economic laws cannot be changed. Let us ascertain what they are, then let us adjust ourselves to these laws and use them for the common good. If economic and social laws are in perfect harmony, as I believe they are, then we should take advantage of them for our own interest. If the laws of human psychology are in harmony with economic laws, as I have no doubt they are, then the manager of industry cannot overlook human psychology and have the economic results he desires.

#### PROFITEERING AND ITS RESULTS

While we were at war we had a splendid example of what can be accom-

plished by coöperation, when all work together for the common good. Many hoped that the world would, as a consequence of and in some sense as a compensation for the awful sacrifices and costs of humanity's deadliest war, turn its thoughts and its efforts with a new spirit towards a more unselfish, a more tolerant order.

Yet the war was no more than interrupted by the armistice when selfishness leaped into the saddle again and, with its arrogant profiteering, its ugly demand "Pay me." Business demands a profit that will lap up all its sacrifices and put its boasted patriotism, its love of the common good to shame. There is nothing beautiful in the fact that business presents nothing hopeful. It has lapsed into sheer selfishness and dragged down the spirit of the nation. It is as if the war spirit, after all, were merely a temporary hysteria, abnormal, instead of a proof that society is capable of working together in harmony and unity of purpose, in tolerance and mutual good will.

Profiteering in its arrogance and its crude, raw selfishness, its want of consideration for the common good has become a stench in the nostrils of the people. I say to capitalism and to business that it cannot be master in this country; it is servant. It cannot domineer and order the faithful, loyal American people to be "100 per cent American" but it must look to its own doorstep, clean its own house and learn what 100 per cent Americanism really signifies, before it undertakes to set up standards of Americanism for others.

We are all servants and none masters of the country. There are none to give orders and to set up standards based on their own selfish interest. If organized labor is thinking of nothing but the interest of organized labor, then it is not 100 per cent American. Neither the capitalistic profiteer nor organized

labor can be master, but each must consider the rights of the other.

Where is the new spirit that was to come out of the great war? How are we profiting by the lessons that we thought we had learned from the materialism of German Prussianism? The spirit of the most criminal organization in the world was in no sense different from the narrow, arrogant, domineering spirit of self-interest that is abroad in our own country today in profiteering and in the class war of capital and organized labor.

We can exercise this spirit only by mutual concessions, and these are impossible without first thinking, and thinking hard of the mutuality of our interest. As I see class war succeeding to national unity, as we had it during the great liberty loan and welfare drives of but two and three years ago, that phrase of the Master keeps ringing in my ears, as true today, as needful an admonition as in any period of human history, yes, more so, the pregnant command to every selfish interest, "Ye must be born again." There can be no masters, we are all servants. Arrogant demands for rights and special privileges and advantages must give way to the sense of service and the common good.

It is a saying of business that "competition is the life of trade." This is true. I am not talking for less energy in business or less competition, which spells progress and improvement, but for competition in serving the common welfare by honest work, honest goods and honest prices. The president of the greatest woolen manufacturing corporation, probably in the world, the other day felt constrained to issue, after the annual statement of the business, an apology for its ungodly profits. It was only so much on a suit of clothes, but it was a colossal and indefensible net profit on the total business.

These men profess to work, for their stockholders turn out the maximum of product. They are not doing it; they are working for their stockholders to turn out the maximum of profit. The maximum product is what we all are demanding of labor and capital alike, but the maximum product can be assured in only one way, and that is by considering the consumer's ability to buy, by fair profits, which imply reasonable prices, which in turn stimulate work and effort in the hope of consumption, the fullest satisfaction of needs and desires. Profiteering is not good economics, for it destroys the market, puts too many people out of business, in effect, by placing goods beyond their reach. It is not in the interest of maximum production, and maximum general prosperity. Its moral and spiritual effect is to incite class war and recrimination and an ugly feeling that is as far removed as possible from promoting maximum work and production.

I believe that if industry were, or if it ever shall be, conducted strictly for the common good, rather than with regard primarily, as now, to profit to the individual, the results would be astonishing to the average man; that production would be the objective then of both employer and employee; that the output would be so large that labor would not be overworked and yet would obtain a much greater income in actual goods than ever before; and that for the same reason the returns to the investor would be, if not any greater than now, or in many instances not so great, yet much steadier and more certain. I am not speaking of industry conducted by the state, for which I do not have the slightest sympathy, but industry conducted as private enterprise, with the viewpoint of the greatest possible product at the least cost.

**AGRICULTURE THE BASIC INDUSTRY**

I believe that the basic industry of all is agriculture, producing things that are elemental to life, the food by which we live. Should not all other industries consider that of food? The farmer until recent years has not had the power to express himself. He has lacked the facilities to act in combination. Other industries are in advance of him in this respect, while he remains and to a degree must be an individualist. So he is likely to fall behind in the race, and has fallen behind. It is not enough to pat him on the back and say he is a good fellow and adjure him to go on producing and working 12 or 15 hours a day; and it is not enough to provide him with agricultural schools where his boys can become trained in the higher agriculture, the study of soils and the chemistry of plant life. What is the use of all this education for thousands of farm boys, tens of thousands, every year, if when he goes out, trained to till the soil, he finds no land upon which he can set to work?

The nation, as a whole, must consider the needs of agriculture and among these needs is the provision of land for the trained young men to till. We have ignored this problem. We have drifted without thought, letting economic laws work their effects, and permitting privilege and injustice to hold the wealth which God himself provided, the land, out of use, for speculative returns.

We are by no means helpless in this matter, for we have the power of taxation and we have not availed ourselves of it to check land speculation, letting matters drift, until land has advanced to such prices that young men cannot obtain it.

**NEED FOR A CONSTRUCTIVE PROGRAM  
FOR AGRICULTURAL INTEREST**

We have done nothing either to assist trained young men to get on the

land through credit advanced by the community. There is no basis of credit equal to land. This we have known but never have had such a remarkable proof of it as during the great war. In the five years of the conflict in Europe, German imperial bonds depreciated 22 per cent. But in the same period German land bank mortgage bonds depreciated only 2 per cent, or less than our own liberty bonds. Here is a striking proof of the supremacy of the land as the basis of credit.

A great New York banker, not many years ago, testified before a committee of Congress that in making a loan he considered first of all the character of the applicant. He would loan to a man of little property but of trustworthy character when he would not to a man with large security but unreliable character. In the graduates of our agricultural colleges we have young men of character, who have proven that they possess energy and industry and ambition. We can give these young men credit based upon their training, their character and the land they till.

Today, the farmer is organized. There are a dozen great national farm organizations and through them the farmer is expressing himself and is being heard. Let us listen to what this important interest has to say of its problems and its needs. The platforms and resolutions adopted by the National Farmers' Congress, the Grange, the Societies of Equity, the Farm Unions, the Federated Farm Bureaus, the Farmers' National Council, the National Board of Farm Organizations and many bodies representing more particularly certain branches of agriculture, as dairying and livestock, speak the farmer's mind, and it is surprising how largely they are in agreement. The nation must give more heed to these utterances from the

producers of food as to the rights and interests of agriculture.

The farmers are asking no special favors; indeed they are very much opposed to special privileges to any class. But if there is anything more fundamental than getting enough food for the people, I have never heard of it. Moreover, unless we do some real thinking along this line there will be people who will be hungry one of these days. It is essential that a constructive program be adopted at once, which will give the agricultural interests of this country a fair chance—that will enable farmers to develop their business, educate their children and work into the most efficient production of food.

The first thing is to curb the profiteers and supply agricultural essentials, such as lumber, agricultural implements, clothing, shoes, and the like, at an honest price.

We must also encourage legislation curbing manipulation of the market and gambling by the grain, provision, and stock exchange sharks, who seek to control unjustly the supply and the prices of foodstuffs, cotton, and other necessities of life. We should also have federal supervision of the packing industry.

A further extension in coöperation is needed in both country and city—it is essential in building up the agricultural interests. There should be legislation to remove all artificial restrictions on the sale of farm products clearly establishing the rights of farmers to collectively market their own products without legal or other interference. We must work out a better system of distribution and marketing, and supply food at a lower cost, while making more than the cost of production itself.

Let's try to stop this landslide from the country into the cities. Let's get a vision of what this great nation can

be, with its industrial and business life working in harmony and perfect coöperation with the agricultural interests, and with plenty of food for every one, at prices which the workers can afford to pay and yet which will supply modern country homes and other essentials for farmers. Better schools, modern homes, social advantages and a greater opportunity to get the brighter things of life are essential.

#### A PROGRAM FOR THE FUTURE

These are topsy-turvy times, but there never was a time when being unselfish was such enlightened selfishness as now. I believe we should all sit tight, stay by our jobs and stand by our country. Many things are badly mixed here at home, but they are not going to remain mixed. To restore normal conditions it will require the unselfish coöperation of patriotic Americans of all walks of life. Of course, we have tremendous problems but we have only to keep our heads and be really and truly thankful that we are American citizens, to come through our difficulties.

We must all unite to win the right conditions in peace times, just as we united to win the war. Then this great national readjustment will be accomplished without hardship, and the nation will not feel the strain which otherwise will be heavy, possibly to the breaking point.

We must apply the principle of the Golden Rule as never before. We need more of the spirit of fair play between man and man. It is a poor time for strikes and for strife. Greater industry, harder work, more rigid economy in public and private expenditures, doing without all luxuries, and, above everything else, increased production are today as solemn a duty upon all alike as they were during the crisis of the war. I have faith in the

common sense and steadfast patience of the American people, the common sense and the patience that was typified and deified in Lincoln.

It is a time especially when partisanship must be put aside and every man must coöperate to the utmost of his ability. American initiative, Ameri-

can pluck, American inventive genius, a thorough-going American policy, and the real American spirit must be backed up as never before with true American statesmanship. I have the utmost confidence that we shall meet these great problems in a way that befits America and her destiny.